

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

THE APPLICATION OF WARREN COUNTY WATER)
DISTRICT, WARREN COUNTY, KENTUCKY, (A))
FOR CERTIFICATE OF CONVENIENCE AND)
NECESSITY, PURSUANT TO KRS 278.020,)
AUTHORIZING SAID DISTRICT TO CONSTRUCT) CASE NO. 8983
IMPROVEMENTS AND EXTENSIONS TO ITS)
EXISTING WATER DISTRIBUTION SYSTEM,)
AND (B) FOR AUTHORITY TO ISSUE CERTAIN)
SECURITIES AS REQUIRED BY KRS 278.300)

O R D E R

The Warren County Water District ("Warren") filed an application on February 10, 1984, for authorization to construct a \$1,792,100 waterworks improvements project, and approval of its financing for this project. Warren's financing includes \$87,100 from applicants for service in the project area, and a loan of \$1,705,000 from the Farmers Home Administration ("FmHA") at 9 1/8 percent annual interest. Warren will issue waterworks revenue bonds as security for the FmHA loan. The repayment period will be 40 years. The proposed improvements will provide water service to about 835 additional customers in Edmonson, Logan and Warren counties.

Plans and specifications for the proposed improvements as prepared by Morton-Lyne and Associates, Inc., Architects-Engineers of Nashville, Tennessee, have been approved by the Division of

Water of the Natural Resources and Environmental Protection Cabinet.

A hearing was held in the offices of the Public Service Commission, Frankfort, Kentucky, on April 3, 1984. There were no intervenors, and no protests were entered.

FINDINGS AND ORDERS

The Public Service Commission, after consideration of the application and evidence of record and being advised, is of the opinion and finds that:

1. Public convenience and necessity require that the construction proposed in the application and record be performed and that a certificate of public convenience and necessity be granted.

2. The proposed construction includes about 64 miles of new waterlines, a booster pumping station and miscellaneous appurtenances thereto to provide service to about 835 additional customers. The low bids received for the proposed work totaled \$1,488,346 which will require about \$1,792,100 after allowances are made for fees, contingencies and other indirect costs.

3. Any deviations from the construction herein approved which could adversely affect service to any customer should be subject to the prior approval of this Commission.

4. The proposed borrowing of \$1,705,000 is for lawful objects within the corporate purposes of Warren, is necessary and

appropriate for and consistent with the proper performance of services to the public by Warren, will not impair its ability to perform these services and is reasonably necessary and appropriate for such purposes.

5. The financing secured by Warren for this project will be needed to pay for the work herein approved. Warren's financing plan should, therefore, be approved.

6. Warren intends to extend water service to a portion of Logan County, and is in the process of annexing the applicable area. Warren should comply with KRS 74.110 and KRS 74.115 as it pertains to annexing the area of Logan County to be served. Prior to constructing any improvements in or serving the annexed area in Logan County, Warren should file the appropriate Logan County Fiscal Court Order with this Commission.

7. Warren should file with the Commission duly verified documentation which shows the total costs of construction herein certificated including all capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed.

8. Warren should provide construction inspection under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering. The supervision and inspection should insure that the construction work is done in accordance with the contract plans and specifications and in conformance with the best practices of the construction trades involved in the project.

9. Warren should furnish a copy of the record plans and a signed statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the date of substantial completion of this construction.

10. A 5/8-inch x 3/4-inch meter should be the standard customer service meter for all new customers and should be installed at all points of service unless the customer provides sufficient justification for the installation of a larger meter.

11. Warren should file with the Commission a copy of all contractual agreements for the provision of services or the purchase of services which are subject to the approval of this Commission.

IT IS THEREFORE ORDERED that Warren be and it hereby is granted a certificate of public convenience and necessity to proceed with the waterworks improvements projects set forth in the plans and specifications of record herein.

IT IS FURTHER ORDERED that any deviations from the approved construction which could adversely affect service to any customer shall be subject to the prior approval of this Commission.

IT IS FURTHER ORDERED that Warren's plan for financing its construction work in the amount of \$1,792,100, including a 40-year loan of \$1,705,000 at 9 1/8 percent annual interest from FmHA, be and it hereby is approved.

IT IS FURTHER ORDERED that Warren shall conclude the required procedures to properly annex the area to be served in Logan County. Warren shall file a copy of the appropriate

Logan County Fiscal Court Order with this Commission prior to constructing any improvements in or serving the annexed area.

IT IS FURTHER ORDERED that Warren shall file with the Commission duly verified documentation which shows the total costs of construction herein certificated including all capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed.

IT IS FURTHER ORDERED that Warren shall provide construction inspection under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering. This supervision and inspection shall insure that the construction work is done in accordance with the contract plans and specifications and in conformance with the best practices of the construction trades involved in the project.

IT IS FURTHER ORDERED that Warren shall furnish to the Commission a copy of the record plans and a signed statement that the construction has been satisfactorily completed and done in accordance with the contract plans and specifications within 60 days of the date of substantial completion of the proposed construction.


IT IS FURTHER ORDERED that a 5/8-inch x 3/4-inch meter shall be the standard customer service meter for all new customers and shall be installed at all points of service unless the customer provides sufficient justification for the installation of a larger meter.

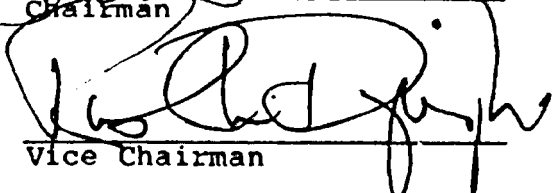
IT IS FURTHER ORDERED that Warren shall file with the Commission a copy of all contractual agreements for the provision of services or the purchase of services which are subject to the approval of this Commission.


Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein authorized.

Done at Frankfort, Kentucky, this 17th day of April, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary